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C O N F I D E N T I A L SECTION 01 OF 02 STATE 039293

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E.O. 12958: DECL: 03/07/2022 TAGS: <u>PARM PREL ETTC MARR LY HR</u>

SUBJECT: POSSIBLE CROATIAN SALE OF MILITARY EQUIPMENT TO

LIBYA

REF: ZAGREB 259

Classified By: EUR/PRA Director Friedt for reasons 1.4 (b) and (c)

SUMMARY

- 11. (C) This is an action request. Please see paragraph 5, which responds to reftel's request for guidance in responding to the Croatian government's informal inquiry about military exports to Libya. In keeping with the USG's relaxation of its long-standing opposition to the transfer of military equipment to Libya, we want to inform the Croatian government that the U.S. would have no objection to the transfer of the equipment described to the Embassy by an MOD representative. END SUMMARY.
- 12. (C) BACKGROUND: In 2004 the United States relaxed its long-standing opposition to most exports of defense equipment to Libya. Specifically, following Libya,s progress towards fulfilling its December 19, 2003 commitments on WMD and MTCR category I missiles disarmament, we ceased our objections to most other countries' export of non-lethal military equipment. In the context of this progress and Libya's continued cooperation, the United States will likewise no longer object to most other countries, exports of lethal military equipment (LME) to Libya, provided such exports are by non-U.S. persons and do not include U.S.-origin parts, components, or systems controlled on the U.S. munitions list (USML) or the Commerce Control List. (Another major exception concerns military equipment exports to/imports from Iran, Syria or North Korea.) U.S. policy is also based on assurances by governments that any exports to Libya do not involve the transfer of items related to WMD, missile, or UAV systems.
- 13. (C) For the information of addressees that did not receive reftel, the equipment and upgrades under consideration for supply to Libya by Croatia are as follows (excerpted directly from reftel):

HS-series pistols are manufactured by Croatia's "HS Produkt" and are available in the U.S. under the XD brand of Springfield, Inc. They are manufactured in 9mm, 40 S&W, and 357 SIG, and are designed for police and military use. RBG-6 grenade launchers fire a rotary magazine of six 40mm grenades (available through Alan in HE fragmentation, HEDP, Smoke, Incendiary, and Tear Gas) to a maximum effective range of 375 meters.

Croatia's Djuro Djakovic, a manufacturer of armored vehicles including M-84 tanks, would perform all T-72 upgrades, according to Nekic. According to a list provided

to PolOff March 16, the complete upgrade package includes (M-84 designations):

- Fire control system (EFCS3 M84D)
- Thermal Stabilized Gunner's Sight (TSGS 84D)
- Commander Take-over System (ComTOS)
 Electric Drives of Turret and Gun
- Remote-Controlled Weapon Station (12.7mm RCWS 12.7)
- Communication System (ITT SINCGARS RT-1702E(V))
- Intercom (SOTAS-M2)
- Power train (engine and rel equip V-46-TK/BI 1.000 HP)
- Engine and Transmission Protection System
- Tracks (DIEHL 8401)
- Driver's Panel (Hull Management System RPV-D)
- Firefighting System (SZ-D)
- NC Detector (RAID-XP)
- Mine-protected Driver Seat
- Explosive Reactive Armor ERA (RRAK)
- Additional Ballistic Protection ("Slat")
- Laser Warning System (LIRD-3A)
- Battlefield Management System (BMS-84D)
- Air-Conditioning System
- MIL Batteries and Battery Charger
- Training and Live-Fire Monitoring System (SONG-84)

(Note that Post was told that Libya has as many as 2000 T-72 tanks, with the implication that that many could possibly be upgraded. The quantities of the pistols, grenade launchers, etc. that Libya might be seeking were not specified.)

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 $\P4$. (C) OBJECTIVES: We want to inform the Croatian government that the U.S. would have no objection to the transfer as described (reftel) by the head of the MOD's marketing branch (reftel). We also want to express our appreciation for the GOC's efforts to discuss this issue with us before their consideration of the possible sales to Libya proceeded and to encourage continued close consultation.

ACTION REQUEST

 $\P5$. (C) Post is requested to convey the points below to the appropriate Croatian official(s).

TALKING POINTS

16. (C) Embassy may draw on the points below as appropriate.

BEGIN TEXT OF TALKING POINTS

- -- In recognition of Libya's progress towards fulfilling its December 19, 2003 commitments on WMD and MTCR category I missiles disarmament, the United States ceased its objections to most other countries' exports of military equipment to that country, provided such exports are by non-U.S. persons and do not include U.S.-origin parts, components, or systems controlled on the U.S. munitions list (USML) or the Commerce Control List. (One exception involves U.S. law authorizing sanctions on entities that export or import controlled military equipment to/from Iran, Syria or North Korea.)
- -- In these regards, U.S. policy is also based on assurances by governments that exports to Libya do not involve the transfer of items related to WMD, missile, or UAV systems.
- -- In that context, the U.S. would not object to Croatia's decision to transfer the equipment and carry out the upgrades described by Ivan Nekic on February 28 and March 16.
- -- The United States also wants to take this opportunity to express its appreciation for Croatia's willingness to discuss these possible transfers and upgrades. Our mutual

nonproliferation objectives are well served when we take the appropriate initiatives to consult with one another.

 $\mbox{--}$ We welcome and encourage continued consultation on these and other nonproliferation matters.

End Text of Talking Points.

- $\underline{\mbox{\bf 1}} 7 \, .$ (U) Washington appreciates post's assistance in this matter.
- $\underline{\P}8.$ (U) Tripoli minimize considered. RICE